

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In re Comprehensive Review)	WC Docket No. 05-195
of Universal Service Fund)	CC Docket No. 96-45
Management, Administration,)	CC Docket No. 02-6
and Oversight)	WC Docket No. 02-60
)	WC Docket No 03-109
)	CC Docket No. 97-21
)	FCC 05-124

To: The Wireline Competition Bureau

**HISPANIC INFORMATION AND TELECOMMUNICATIONS NETWORK COMMENTS
REGARDING UNIVERSAL SERVICE FUND MANAGEMENT, ADMINISTRATION, AND
OVERSIGHT**

Hispanic Information and Telecommunications Network (“HITN”), by its attorneys, hereby submits its comments in response to the Commission’s Public Notice in the above-referenced matter.

I. Introduction

HITN, founded in 1981, is a 501(c)(3) non-profit private foundation whose mission is to promote educational opportunities for Hispanic Americans through multiple media outlets and telecommunications services. HITN-TV, the first and only 24-hour a day Spanish language public interest television channel in the United States, is presently carried on the Dish Network, DirecTV, Comcast Cable and the Time Warner Cable Network. HITNet, a satellite-based broadband service delivered via HITN’s state-of-the-art satellite platform at the Brooklyn Navy Yard, NY, is currently providing Internet access to the most underprivileged schools and libraries throughout Puerto Rico. HITN also holds over 50 station authorizations in the Educational Broadband Service (“EBS”) being used for wireless broadband services throughout the United States and Puerto Rico.

II. Administrative Procedures

In its *Public Notice*, the Commission sought comment on whether the Universal Service Administrative Company (“USAC”) should codify its administrative procedures to help reduce unintentional errors, waste, fraud, and abuse.

HITN wholeheartedly embraces this proposal. It has been HITN’s experience that the Schools and Libraries Division (“SLD”) of USAC makes a high number of mistakes when reviewing and processing applications and appeals. Further, the SLD has a great deal of discretion in interpreting the “loose” policies and procedures on the books now. Administrative procedures should be adopted and published to ensure that all parties, not just the SLD, are clearly aware of the currently murky requirements for applications and appeals issues. This change would contribute to a more transparent operation of the SLD and of USAC. As it stands currently, the SLD has a hard time releasing information and reasoning on a timely basis to assist participants in the program. Notwithstanding, there has been a concerted effort within the SLD and USAC to develop a more “open door” policy in regards to the flow of information. The adoption of specific and focused administrative procedures will help this process along.

As part of this administrative procedures overhaul, HITN suggests that a greater effort be made towards communicating in Spanish with Puerto Rican and other Spanish-speaking applicants, and requiring that their service providers receive copies of all correspondence. This ensures that even if the language barrier stalls a response to the SLD by a Spanish-speaking applicant, at least the service provider can contact the applicant and assist the SLD in obtaining the information it requires.

III. Performance Measures

The *Public Notice* also requests comments on the types of performance measurements that the E-Rate program should use. HITN is supportive of a measurement that captures how effectively E-Rate funding is reaching those in greatest need of funding. This could be the number of broadband connections that are achieved in rural and low-income areas. It could also be the sheer dollar amount of assistance flowing to rural, low-income, and poverty-stricken areas. It has been HITN's experience with the E-Rate program that money flows to schools and libraries that can afford to have consultants navigate this cumbersome and difficult federal assistance program for them. The schools and libraries that actually need and deserve funding are discouraged by the red tape, delay, and significant time investment on their part to successfully be funded by the E-Rate program. The net result of this appears to be that applicants with the most sophistication get the most funding (even if they are entitled to the lowest discount rates), while the least sophisticated with the greatest needs receive the least funding, because they either can't get the extremely cumbersome process right or they just don't bother to apply into the funding quagmire at all (even though they would otherwise be entitled to the greatest funding discounts). Clearly, this is not the result that Congress had in mind in establishing the statutory framework for the E-Rate program, nor is it what the FCC had in mind in bringing the program into existence. The SLD's mandatory policies regarding what it should be doing to ensure funding to those in the greatest need must be revisited by the Commission to ensure funding is being distributed to the neediest applicants which don't have the sophistication to navigate the SLD bureaucratic processes.

IV. Appeals Process

The FCC also asks for comment on the E-Rate program and its approach and success rate with respect to the appeals process. Far from being streamlined, efficient, and effective, the appeals process is laden with delay, run-around, and unintended consequences for both service providers and applicants. Some HITN current and former customers, for example, have had appeals in queue in some cases for more than 4 years at the FCC level, and many appeals pending well beyond 1-2 years at the SLD, awaiting decisions. This type of delay is absolutely and completely unacceptable, prevents applicants from enjoying the promise of the E-Rate program, and frustrates service providers in an endless waiting game of whether or not services can or cannot be provided, and whether payment will be received for those services if provided.

While the ideal is to have decisions and appeals in a timely manner, the reality is that appeals eat up at least 6-12 months of time for all parties involved –resolved in most cases when funding years are half over or completely over. Appeals processes should be redesigned to focus on getting the required information to make a speedy decision from the most likely source of the information, and in no case should any appeal remain pending for more than 60 days after it was filed.

Since the appeals process is geared toward the applicants, the service provider has limited access to protect its investment. The service provider should be able to, after being selected by the applicant, go forward to assist with resolution of any issues with the SLD or FCC on the applicants' behalf – especially if the service provider has agreed to go forward providing services notwithstanding a negative SLD decision. This would be

more efficient use of resources and time for the SLD, FCC as well as for applicants, which are not typically experts in the program, let alone FCC rules and procedures.

V. Funds Distribution

Funds should be distributed to those most in need on a priority basis at the SLD. This includes priority for funding appeals that may be granted. Care should be taken in considering factors relating to those in most need, such as response times, language, and economic barriers. While great strides have been made to accommodate those with language barriers, much more must be done on an educational outreach basis.

VI. Conclusion

HITN provides services to rural Puerto Rico where funding is needed the most. Most schools and libraries there that would benefit greatly from this program have heard how difficult it is to navigate the program, with no guarantee of funding – and most now have simply stopped wasting their time applying (or have never applied). This result is clearly not what Congress intended. Changes should be made to ensure those who need and deserve the funding can get it without being subjected to needless delay.

Respectfully submitted,

HISPANIC INFORMATION AND
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